

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Frontier Communications Corporation,)	
Verizon Communications, Inc.,)	
Verizon North Inc.,)	
Verizon South Inc., and)	
New Communications of the Carolinas,)	
Inc.)	
)	Docket No. 09-0268
Joint Application for the approval of a)	
Reorganization pursuant to Section 7-204)	
of the Public Utilities Act; the Issuance of)	
Certificates of Exchange Service)	
Authority pursuant to Section 13-405 to)	
New Communications of the Carolinas,)	
Inc.; the Discontinuance of Service for)	
Verizon South Inc. pursuant to Section)	
13-406; the Issuance of an Order)	
Approving Designation of New)	
Communications of the Carolinas, Inc. as)	
an Eligible Telecommunications Carrier)	
Covering the Service Area Consisting of)	
the Exchanges to be Acquired from)	
Verizon South Inc. upon the Closing of)	
the Proposed Transaction and the)	
Granting of All Other Necessary and)	
Appropriate Relief.)	

**THE PEOPLE OF THE STATE OF ILLINOIS’
COMMENTS ON THE PROPOSED SCHEDULES**

The People of the State of Illinois, by Lisa Madigan, Attorney General, submit the following comments on the schedules proposed by the Staff of the Illinois Commerce Commission and the Joint Applicants:

1. The People of the State of Illinois support the schedule proposed by the Staff.
That schedule accommodates all of the other rate cases that have been filed
within the same eleven month period that applies to Joint Applicants’ petition.

There are other proceedings happening during this time period, including a rehearing in Docket 08-0569, hearings and briefing in the Peoples Gas and North Shore rate cases, Dockets 09-0166 and 09-0167; Commonwealth Edison Advanced Meter Infrastructure Pilot Docket 09-0263; Commonwealth Edison Original Cost Audit, Docket 08-0312; Commonwealth Edison Rate Design Investigation, Docket 08-0532. In addition, the People have been informed by both Commonwealth Edison and Ameren that both companies intend to petition for expedited, docketed proceedings before the Commission seeking approval of riders to recover matching funds for federal stimulus projects, and there are several ongoing workshops on several electric industry matters (Smart Grid, On-bill financing, UCB/POR re retail electric competition).

2. Joint Applicants focus on the schedule for the Ameren cases, and argue that their expedited schedule, with December hearings and initial and reply briefs in January, does not conflict with the Ameren cases. However, there are other rate case hearings as well as other case litigation that is ongoing during the eleven month period of this docket.
3. While Joint Applicants offer December hearings dates to accommodate the Ameren hearings, the Joint Applicants have not considered the hearings in the Illinois American Water Company rate case. That case involves a requested 30% increase in base rates, involves five separate operating districts, and e-docket already shows 63 public comments. The schedule for that rate case was adopted on August 5, and hearings are set for December 8 – 11, 2009.

The initial briefs and reply briefs are due one day before the filing dates proposed by the Joint Applications (January 7 compared to January 8 for initial briefs and January 21 compared to January 22 for reply briefs). A copy of the Illinois American Water Company schedule is attached.

4. Many of the offices and attorneys that are participating in this case are also in the Illinois American Water docket. Susan L. Satter and Kristin Munsch, Assistant Attorneys General, are both responsible for the Illinois American and this Docket, and Kristin Munsch is also responsible for the Ameren dockets, in addition to smaller cases. It would be extremely burdensome if not impossible for the Office of the Attorney General to participate in three hearings in two weeks if the December hearing date requested by the Joint Applicants is adopted.
5. The People are informed and believe that the attorneys representing the Citizens Utility Board in this docket are also representing CUB in the Illinois American and Ameren rate cases as well as in this docket.
6. The Public Utilities Act requires that the Order in this docket be entered eleven months after filing. 220 ILCS 5/7-204(d). The schedule recommended by Staff is sufficient to allow it to be concluded within the statutory time frame.
7. The Joint Applicants and/or their parent companies announced the transaction that gave rise to this docket on or about May 13, 2009.
8. The Joint Application was filed on June 4, 2009, and Joint Applicants did not serve testimony until more than 30 days after filing (July 8, 2009).Eleven

months from the filing date is May 4, 2010.

9. The agreements underlying the Joint Applicants' transaction include a closing date of no earlier than April 30, 2010, two business days before the May 4, 2010 deadline in this docket. If the Joint Applicants had made an earlier initial filing, the deadline in this docket would have been on or before the "no earlier than" closing date of April 30.
10. Moving the hearing date up five weeks from January 12 or 19 to December 7 or 14 is unnecessary in light of the fact that the transaction cannot close until two business days before the statutory deadline in this docket. It will also be unreasonably burdensome on consumer parties.
11. The Joint Application involves the transfer of ownership of more than 573,000 access lines in 413 exchanges spread across the state from Brookport in the southeast tip of the state to Scales Mound in the northwest. Frontier, the acquiring company, serves only 97,000 lines through 9 service companies. Jt. App. Ex. 1 at 7 and Jt. App. Ex. 2 at 10. The numerous effects and challenges of a transaction of this magnitude require adequate preparation and review.
12. When Verizon transferred its local operations in Vermont, New Hampshire, and Maine to Fair Point Communications, significant billing and operational problems developed. Similarly, Verizon's transfer of lines in Hawaii resulted in the serious financial and operational problems. See Jt. App. Ex. 1.0 at 27-30. It is incumbent upon the consumer parties and the Commission to carefully review this transaction so that consumers are protected and in fact benefit from the transaction. An accelerated hearing schedule, when parties

are also litigating several other major rate cases and other matters, will not serve the more than 600,000 households that are connected to either the Frontier or the Verizon networks and need to be assured that the problems that arose in New England and Hawaii are not repeated here.

WHEREFORE, for the foregoing reasons, the People of the State of Illinois request that the schedule proposed by the Staff of the Commission be adopted in this docket.

Respectfully submitted,
People of the State of Illinois

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ICC Docket 09-0319 – Illinois American Water Co.

SCHEDULE - adopted August 5, 2009

Tariff Filing	May 29, 2009
IAWC Update Filing	August 24, 2009
Staff and Intervenor Direct	September 28, 2009- Monday
Status Hearing	October 15, 2009 – 10 am
Company Rebuttal	October 21, 2009
Staff and Intervenor Rebuttal	November 13, 2009
Company Surrebuttal	November 25, 2009
Prehearing motions	December 4, 2009
Status	December 4, 2009
Hearings	December 8 – 11, 2009
Initial Briefs	January 7, 2010
Reply Briefs & Draft Orders	January 21, 2010
Proposed Order	February 19, 2010
BOE	March 5, 2010
RBOE	March 12, 2010
deadline	April 25, 2010 - Sunday